CHILDREN AND FAMILIES

Budget Summary						FTE Position Summary				
Fund	2010-11 Adjusted Base	Governor 2011-12	Governor 2012-13	2011-13 Change Over Base Year Doubled Amount	%	2010-11	Governor 2011-12	Governor 2012-13	2012-13 Over 2010-11 Number	%
GPR	$346,928,600	$495,954,700	$505,903,400	$308,000,900	44.4%	218.03	217.69	217.69	- 0.34	- 0.2%
FED	656,436,600	639,436,100	601,433,100	- 72,004,000	- 5.5	316.47	281.63	281.74	- 34.73	- 11.0
PR	114,505,400	111,402,400	103,695,600	- 13,912,800	- 6.1	158.21	190.73	191.62	33.41	21.1
SEG	9,339,700	9,339,700	9,339,700	0	0.0	0.00	0.00	0.00	0.00	0.0
TOTAL	$1,127,210,300	$1,256,132,900	$1,220,371,800	$222,084,100	9.9%	692.71	690.05	691.05	- 1.66	- 0.2%

Budget Change Items

Departmentwide

1. STANDARD BUDGET ADJUSTMENTS

	Funding	Positions
GPR	$2,421,600	0.00
FED	53,800	- 1.16
PR	2,054,800	0.00
Total	$4,530,200	- 1.16

Governor: Provide adjustments of $1,210,800 GPR annually; $143,100 FED in 2011-12, -$89,300 FED in 2012-13, and -1.16 FED position, beginning in 2011-12; and $1,027,400 PR annually. Adjustments are for: (a) turnover reduction (-$241,800 GPR, -$286,900 FED, and -$189,300 PR annually); (b) removal of noncontinuing elements from the base (-$1,267,400 FED and -$77,800 PR in 2011-12, -$1,549,800 FED and -$77,800 PR in 2012-13, and -1.16 FED position, beginning in 2011-12); (c) full funding of continuing salaries and fringe benefits ($609,500 GPR, $1,209,200 FED, and $1,129,600 PR in 2011-12 and $609,500 GPR, $1,259,200 FED, and $1,129,600 PR in 2012-13); (d) overtime ($247,400 GPR, $22,700 FED, and $4,300 PR annually); (e) night and weekend differential ($135,400 GPR, $12,400 FED, and $1,300 PR annually); and (f) full funding of lease costs and directed moves ($460,300 GPR, $453,100 FED, and $159,300 PR annually).

2. INCREASE EMPLOYEE CONTRIBUTIONS FOR PENSIONS AND HEALTH INSURANCE

GPR	- $1,811,800
FED	- 2,576,000
PR	- 1,518,400
Total	- $5,906,200

Governor: Delete $2,953,100 annually to reflect fringe benefit cost reductions associated with increased state employee contributions for Wisconsin Retirement System (WRS) benefits and health insurance coverage. The reductions would include $905,900 GPR, $1,288,000 FED, and $759,200 PR. The calculation of retirement savings is based on employee WRS contributions equal to 5.8% of salary. Health insurance cost reductions are based on employees paying an average of approximately 12.6% of total premium costs, compared to the current average of approximately 6% of costs.

3. ELIMINATE LONG-TERM VACANCIES

	Funding	Positions
GPR	- $38,200	- 0.34
FED	- 606,000	- 4.16
Total	- $644,200	- 4.50

Governor: Delete $322,100 and 4.50 positions annually to reflect the elimination of long-term vacant positions under the bill. The reductions would include $19,100 GPR and 0.34 GPR position and $303,000 FED and 4.16 FED positions annually. Funding and position reductions are associated with positions that have been vacant for 12 months or more.

4. REPLACEMENT OF CLASSIFIED POSITIONS WITH UNCLASSIFIED POSITIONS

Governor: Delete 1.85 GPR, 0.15 FED, and 1.00 PR classified positions and provide 1.85 GPR, 0.15 FED, and 1.00 PR unclassified positions under DCF's general administration general program operations, administrative and support services, and federal project activities appropriations.

Under 2011 Act 10, 38 classified positions would be transferred into the unclassified service to serve as division administrators. Act 10 also redefined "administrators" to include "other managerial positions determined by an appointing authority." The State Budget Office indicates that personnel from three separate employment areas (attorney services positions, communications positions, and legislative liaison positions) would be moved from classified to unclassified service within specified agencies. The revised unclassified positions would be renamed as either chief legal advisors, communications directors, or legislative advisors. Individuals in these unclassified positions would be at will employees appointed by the heads of the respective agencies.

The provisions in the 2011-13 biennial budget bill effectuate the intent of Act 10 in regards to the transfer of classified positions to unclassified positions as recommended by the Governor.

5. TRANSFER FOODSHARE

Governor: Transfer the federal supplemental nutrition assistance program (SNAP), known in Wisconsin as FoodShare, and the SNAP employment and training program, formerly known as the food stamp employment and training (FSET) program, from the Department of Health Services (DHS) to the Department of Children and Families (DCF) beginning January 1, 2013.

Once SNAP is transferred to DCF, remove the program from DHS's income maintenance program. Instead, require DCF to administer, and enter into contracts for the administration of, SNAP. Specify that administration of SNAP would include the following: (a) receiving applications; (b) determining eligibility; (c) conducting fraud investigation and fraud prevention activities; (d) implementing error reduction procedures; and (e) recovering overpayments of benefits. Require DCF to include SNAP in its program to periodically match and review the records of recipients. Require DCF to withhold payment to a tribe under a contract for the administration of SNAP for the value of any losses for which a tribe is liable.

Modify current state law to change the name of the food stamp program to SNAP and to refer to SNAP benefits, rather than food coupons, once the program has been transferred to DCF. Require DCF to deliver SNAP benefits by an electronic benefit transfer system. Repeal the statutory exception for a tribe's liability for lost food coupons due to natural disasters, and repeal the exceptions to the requirement that SNAP benefits be transferred electronically, beginning January 1, 2013.

The bill would not transfer any positions or funding from DHS to DCF for SNAP or the SNAP employment and training program. Instead, the DOA Secretary would determine which positions and funding would be transferred as of January 1, 2013.

[Bill Sections: 211, 212, 641, 647, 649 thru 651, 668, 671, 677, 678, 1279, 1301, 1339, 1343 thru 1345, 1377, 1384, 1387, 1404, 1407, 1409, 1411, 1412, 1416 thru 1419, 1421, 1485, 1513 thru 1520, 1522, 1524, 1526, 1528 thru 1533, 1535 thru 1539, 1541 thru 1550, 1552, 1553, 1556 thru 1562, 1564, 1566 thru 1588, 1590 thru 1603, 1605, 1609, 1611, 1613, 1615, 1617 thru 1620, 1623 thru 1627, 1645, 1802, 1939, 2051, 2130, 2131, 2162, 2390, 2450, 2866, 3487 thru 3490, 3559, 9121(8), 9321(2), and 9421(4)]

6. TRANSFER SOCIAL SECURITY INCOME (SSI) AND CARETAKER SUPPLEMENT PROGRAMS

GPR	$292,770,800

Governor: Provide $145,179,200 in 2011-12 and $147,591,600 in 2012-13 to reflect the transfer of the supplemental security income (SSI) program and the caretaker supplement program from DHS to DCF on the effective date of the bill. Include these programs in DCF's activities to reduce errors and fraud and to collect overpayments.

[Bill Sections: 210, 636, 643, 669, 679, 1274, 1280, 1285, 1300, 1331, 1332, 1338, 1347, 1401 thru 1403, 1406, 1408, 1410, 1420, 1422, 1450 thru 1453, 1458, 1461, 1462, 1482 thru 1484, 1505, 1608, 1610, 1612, 1614, 1616, 1642, 1644, 1646, 1655, and 3483]

7. POSITION REALIGNMENT

	Funding	Positions
FED	- $432,800	- 2.51
PR	135,000	0.51
Total	- $297,800	- 2.00

Governor: Reduce funding by $148,900 (-$216,400 FED and $67,500 PR) annually and eliminate 2.0 FTE positions (-2.51 FED and 0.51 PR), beginning in 2011-12, to reflect the transfer of 3.0 FTE (-2.51 FED and -0.49 PR) positions from DCF to

DHS for activities related to the client assistance for reemployment and economic support (CARES) computer system and the transfer of 1.0 PR position from the Department of Workforce Development (DWD) to DCF for a finance position related to the contract reporting system.

The bill would transfer 3.0 FTE positions, and the incumbent employees, if any, holding these positions, whose duties are primarily related to automation security for the CARES system, as determined by the Secretary of DOA, from DCF to DHS. Funding for DCF would be reduced by $259,000 annually, which would have supported salaries ($152,300 FED and $30,000 PR) and fringe benefits ($64,100 FED and $12,600 PR). There is an increase of funding and positions in DHS to reflect this transfer.

The bill would also transfer 1.0 FTE, and the incumbent employee, if any, holding this position, whose duties are primarily related to local agency reimbursement contracts for programs administered by DCF, as determined by the DOA Secretary, from DWD to DCF. Funding for DCF of $110,100 annually would support salaries ($77,300 PR) and fringe benefits ($32,800 PR). There is a decrease of funding and a position in DWD to reflect this transfer.

The bill would specify that the employees would be transferred on the effective date of the bill and that all employees transferred would have all of the same state employment rights and status after the transfer that they enjoyed immediately before the transfer. Finally, the bill would specify that any transferred employee who had attained permanent status in class would not be required to serve a probationary period after the transfer.

[Bill Sections: 9108(1) and 9154(1)]

8. PROGRAM AND FEDERAL REVENUE REESTIMATES

FED	$894,000
PR	- 41,199,600
Total	- $40,305,600

Governor: Reduce funding by $19,355,900 ($450,400 FED and -$19,806,300 PR) in 2011-12 and $20,949,700 ($443,600 FED and -$21,393,300 PR) in 2012-13 to reflect reestimates of: (a) the amount of funding that is being transferred to and from DWD and DHS for the CARES computer system and for the correct alignment of funding among the agencies due to the creation of DCF during the 2007-09 biennium (-$14,500,000 PR annually); (b) the amount of federal funding for the Head Start collaboration grant for the Early Childhood Advisory Council under the American Recovery and Reinvestment Act (ARRA) of 2009 ($450,400 FED in 2011-12 and $443,600 FED in 2012-13); and (c) the federal share of assigned child support collections (-$5,306,300 PR in 2011-12 and -$6,893,300 PR in 2012-13).

9. POSITION AND FUNDING REALIGNMENT

	Funding	Positions
FED	- $11,865,000	- 27.56
PR	11,865,000	27.56
Total	$0	0.00

Governor: Decrease funding by $5,932,500 FED annually and eliminate 27.56 FED positions, beginning in 2011-12, and increase funding by $5,932,500 PR annually and add 27.56 PR positions, beginning in 2011-12, to more accurately reflect the needs and organizational structure of DCF. In addition, transfer $305,900 GPR annually and 2.02 GPR positions, beginning in 2011-12, from DCF's children and family services and economic support programs to DCF's general administration program to more accurately reflect the duties of these positions.

Children and Families

1. MILWAUKEE CHILD WELFARE AIDS

GPR	$12,905,500
FED	- 16,049,600
PR	6,000,000
Total	$2,855,900

Governor: Provide $1,278,900 ($3,350,900 GPR, -$8,072,000 FED, and $6,000,000 PR) in 2011-12 and $1,577,000 ($9,554,600 GPR and -$7,977,600 FED) in 2012-13 to reflect the projected costs of aids expenses administered by the Bureau of Milwaukee Child Welfare (BMCW). The federal funding is available under Title IV-E of the Social Security Act. Program revenue consists of Milwaukee child welfare collections. [Collections are SSI, Social Security Administration (SSA) survivor and disability payments, and child support payments for children in out-of-home care that are collected and retained by the state to offset the costs of providing out-of-home care to those children.] Base funding for Milwaukee child welfare aids is $107,655,400 ($54,887,100 GPR, $21,572,900 FED, and $31,195,400 PR).

This item would: (a) transfer $600,000 GPR annually from the BMCW operations appropriation to the BMCW aids appropriation to reflect that funding for nurses is a contracted service; (b) replace decreasing federal Title IV-E funds with GPR ($7,945,700 GPR and -$8,139,400 FED in 2011-12 and $7,898,900 GPR and -$8,092,600 FED in 2012-13); (c) fund projected increases in the costs per case for children in foster homes, group homes, and residential care centers ($1,519,100 GPR and $18,700 FED in 2011-12 and $1,769,600 GPR and $66,300 FED in 2012-13); (d) fund the foster care rate increase approved under 2009 Act 28 ($137,500 GPR and $48,700 FED annually); (e) reduce BMCW aids contracts (-$251,400 GPR annually); and (f) provide accumulated one-time revenue from collections and correspondingly decrease GPR funding for BMCW aids (-$6,000,000 GPR and $6,000,000 PR in 2011-12).

The overall reduction in the BMCW aids contracts of $251,400 GPR annually represents changes to the following contracted services: (a) permanency planning review ($35,300 annually); (b) psychological evaluations (-$52,300 annually); (c) court initiative permanency counselor ($2,000 annually); (d) foster parent crisis intervention (-$116,400 annually); (e) child abuse review team facilitator ($15,000 annually); and (f) subsidized guardianship waiver evaluation (-$135,000 annually).

2. FOSTER CARE, ADOPTION ASSISTANCE, AND SUBSIDIZED GUARDIANSHIP REESTIMATE

GPR	$5,212,800
FED	2,400,600
Total	$7,613,400

Governor: Provide $2,166,700 ($1,940,100 GPR and $226,600 FED) in 2011-12 and $5,446,700 ($3,272,700 GPR and $2,174,000 FED) in 2012-13 to reflect reestimates, based on historical expenditures, of the amount of funding required to support foster care payments for children with special needs who are under the state's guardianship (but do not live in Milwaukee County), adoption assistance payments for children with special needs who have been adopted, and subsidized guardianship payments. Funding also includes an increase in foster care rates approved under 2009 Act 28. [Funding for foster care payments DCF makes on behalf of children with special needs in Milwaukee County is budgeted as part of the BMCW budget.] Base funding for these programs is $100,530,400 ($50,937,000 GPR and $49,593,400 FED). The federal funding is from Title IV-E of the Social Security Act.

The state serves as guardian for children with special needs following termination of parental rights. The state pays the costs of out-of-home placements for these children while they await adoption and makes adoption assistance payments to families who adopt children with special needs.

Based on a federal waiver, in Milwaukee County, the state makes payments to legal guardians if certain criteria are met. Foster care payments terminate when a child is placed with a legal guardian, and subsidized guardianship payments are an effort to encourage permanence for a child by continuing assistance to the licensed foster care parent after the foster parent is appointed a legal guardian for the child. Federal funding for subsidized guardianship is eliminated in 2011-12 due to the anticipated expiration of the federal waiver.

3. INCOME AUGMENTATION

Governor: Create a program revenue appropriation in DCF's general administration program, the interagency and intra-agency aids; income augmentation services receipts appropriation, to receive income augmentation funds transferred from DHS and delete the federal income augmentation services receipts appropriation, to reflect that the income augmentation funds transferred from DHS are program revenue, not federal revenue. In addition, eliminate statutory references that allow DCF to expend federal targeted case management (TCM) funds directly received from the federal Department of Health and Human Services (DHHS) because those funds are deposited with DHS, not DCF. TCM funds are federal medical assistance (MA) matching funds the state claims for services counties provide to children in out-of-home care whose costs are not reimbursable under Title IV-E. In DHS, modify the income augmentation services receipts appropriation to specify that TCM funds received would be transferred to this new appropriation in DCF.

Income augmentation revenues are statutorily defined as federal moneys DHS and DCF receive under Title XIX (medical assistance or MA), Title XVIII (Medicare), and Title IV-E (child welfare) of the Social Security Act as a result of income augmentation activities (maximizing federal reimbursement) for which the state has contracted. The state may use these funds for any purpose.

The amount of Title IV-E matching funds earned by the state has decreased due to: (a) federal policy changes under the federal Deficit Reduction Act of 2005; (b) audit practices implemented through the Title IV-E eligibility process; and (c) ongoing federal review of state IV-E claiming practices. Therefore, income augmentation revenue received by the state has not contained IV-E matching funds since calendar year 2008. As a result, the sole source of income augmentation revenue DCF currently receives is from TCM funds transferred from DHS (other MA and Medicare funds are retained by DHS), which is program revenue, rather than federal revenue.

[Bill Sections: 660, 681, 682, and 1325 thru 1328]

4. CHILDREN AND FAMILY AIDS PROGRAM REVENUE

FED	- $16,571,400
PR	16,571,400
Total	$0

Governor: Transfer $8,285,700 annually from DCF's federal aid; children and family aids appropriation to DCF's interagency and intra-agency aids; children and family aids; local assistance appropriation, a program revenue appropriation created under the bill, in DCF's children and family services program.

Under current law, children and family aids distributed to county departments of human/social services are supported with temporary assistance for needy families (TANF) block grant funds, social services block grant (SSBG) funds, Title IV-E of the Social Security Act, Title IV-B of the Social Security Act, and GPR. SSBG funds, and TANF funds that are transferred to the SSBG, are budgeted directly in DHS. DHS then transfers these funds to DCF. As a result, these funds should be placed in a PR appropriation in DCF, rather than a federal appropriation. This bill would create a new PR appropriation for these SSBG and TANF funds for distribution to county departments as children and family aids. The bill would also authorize the transfer of TANF funds within DCF to this new appropriation for distribution as children and family aids.

[Bill Sections: 659, 662 thru 664, 667, 673, 1324, 1329, and 1330]

5. CHILDREN AND FAMILY AIDS

FED	- $9,354,700
PR	14,122,100
Total	$4,767,400

Governor: Provide $2,383,700 (-$3,890,500 FED and $6,274,200 PR) in 2011-12 and $2,383,700 (-$5,464,200 FED and $7,847,900 PR) in 2012-13 to fully fund an increase in foster care rates approved under 2009 Act 28, to implement the levels of care foster care licensing system required under Act 28, and to reflect reestimates of federal and program revenues. Adjust federal and program revenue funding budgeted to support children and family aids by: (a) increasing funding from Title IV-B of the Social Security Act by $198,000 FED in 2011-12 and $162,800 FED in 2012-13; (b) increasing Title IV-E support by $581,000 FED in 2011-12 and reducing Title IV-E support by $957,500 FED in 2012-13; (c) increasing SSBG funding by $33,600 in 2011-12 and $12,600 in 2012-13 (although this is PR in DCF, it shows as -$57,000 FED in 2011-12 and -$78,000 FED in 2012-13 and $90,600 PR annually because the SSBG appropriation in DCF has been a FED appropriation, but the bill would create a new PR appropriation as described in the entry above);

(d) increasing the amount of TANF funding for the SSBG by $337,500 in 2011-12 and $358,500 in 2012-13 (this shows as FED funding, but should be PR funding as described in the entry above); (e) eliminating stimulus funds under ARRA due to the enhanced federal medical assistance percentage (fmap) of $4,950,000 FED annually; and (f) increasing TCM funds in the amount of $6,183,600 PR in 2011-12 and $7,757,300 PR in 2012-13. The net effect of these funding changes is to use TCM funds to replace the loss of federal funds and to fund the estimated increase in costs.

TCM funds are income augmentation funds described in the "Income Augmentation" item above. The allocation of funds not budgeted during the biennial budget or in separate legislation must be approved by the Joint Committee on Finance in a plan submitted by DHS and DCF in September. This provision would allocate $6,183,600 in 2011-12 and $7,757,300 in 2012-13 of the amount of TCM funds that the administration expects the state to receive during the 2011-13 biennium.

With these changes, total funding for children and family aids would be increased from the base amount of $64,687,500 to $67,071,200 in each year of the 2011-13 biennium. The following table identifies the total amount of funding that would be budgeted for children and family aids under the bill. Under the bill, several PR appropriations, including the SSBG appropriation, would be created for PR-S revenue received from DHS to replace existing FED appropriations. The table reflects that the funding from the SSBG and TANF for SSBG is PR funding, rather than FED funding.

Funding for Children and Family Aids Related Programs
Governor's 2011-13 Biennial Budget Bill

	GPR	FED	PR	Total
Base Funding	$30,403,900	$26,278,400	$8,005,200	$64,687,500
2011-12 Funding Changes Under this Item				
Title IV-B Support		$198,000		$198,000
Title IV-E Support		581,000		581,000
SSBG			$33,600	33,600
TANF for SSBG			337,500	337,500
Loss of ARRA Funds		-4,950,000		-4,950,000
TCM Funds			6,183,600	6,183,600
Subtotal	$0	-$4,171,000	$6,554,700	$2,383,700
Total	$30,403,900	$22,107,400	$14,559,900	$67,071,200
2012-13 Funding Changes Under this Item				
Title IV-B Support		$162,800		$162,800
Title IV-E Support		-957,500		-957,500
SSBG			$12,600	12,600
TANF for SSBG			358,500	358,500
Loss of ARRA Funds		-4,950,000		-4,950,000
TCM Funds			7,757,300	7,757,300
Subtotal	$0	-$5,744,700	$8,128,400	$2,383,700
Total	$30,403,900	$20,533,700	$16,133,600	$67,071,200

6. PROGRAM IMPROVEMENT PLAN

FED	$2,041,200
PR	3,170,800
Total	$5,212,000

Governor: Provide $2,608,800 ($680,400 FED and $1,928,400 PR) in 2011-12 and $2,603,200 ($1,360,800 FED and $1,242,400 PR) in 2012-13 for the Department's child welfare program improvement plan (PIP). Program revenue funding is from federal TCM income augmentation funds. Federal funds are from the SSBG and TANF block grant.

The PIP is a comprehensive child welfare plan to address deficiencies identified in the second federal child and family services review of Wisconsin. If the state does not make progress on these deficiencies, it could face a maximum annual penalty of $1.3 million in federal funding at the end of the PIP improvement period. The PIP consists of five primary strategies: (a) improving permanency planning and case review; (b) improving family engagement and well-being; (c) improving safety timeliness and response; (d) building service capacity; and (e) professional development enhancements.

Funding would support: (a) case planning and review technical assistance and training ($335,200 PR annually); (b) case planning and review permanency consultants ($363,000 PR in 2011-12 and $427,000 PR in 2012-13); (c) safety intervention standards technical assistance and training ($335,200 PR annually); (d) safety intervention standards eWISACWIS system change costs ($650,000 PR in 2011-12); (e) safety intervention standards new training curriculum and training ($100,000 PR in 2011-12); (f) purchase of a learning management system to track training of foster parents ($20,000 PR annually); (g) enhancing and improving KidStat, the performance-based data management program ($100,000 PR annually); (h) subsidized guardianship new training curriculum and training ($25,000 PR annually); and (i) competitive grants for expanding in-home services ($680,400 FED in 2011-12 and $1,360,800 FED in 2012-13).

[Bill Section: 1399]

7. KINSHIP CARE

FED	- $3,284,800

Governor: Reduce funding by $1,642,400 annually in federal TANF funds to reflect estimates of the amount of funding that will be required to fully fund kinship care benefits during the 2011-13 biennium. The funding decreases reflect that some kinship care providers will become licensed under the new levels of care foster care licensing system, and, therefore, be paid under children and family aids, as well as estimates of the cost of funding projected caseloads during the 2011-13 biennium. The estimates are based on the average number of the following cases from July, 2009, through September, 2010: (a) TANF-funded cases; (b) cases on waiting lists; (c) county-funded cases; and (d) tribal-funded cases.

Counties pay, and in Milwaukee County DCF pays, a benefit of $220 per month per child to kinship care relatives if: (a) there is a need for the child to be placed with the relative and the placement is in the best interests of the child; (b) the child meets the criteria, or would be at risk of meeting the criteria, for a child in need of protection or services or a juvenile in need of protection or services, if the child were to remain at home; and (c) the relative meets other nonfinancial requirements. Total funding for kinship care benefits would be $21,375,800 per year.

[Bill Section: 1398]

8. BRIGHTER FUTURES

GPR	- $3,459,800
PR	1,730,000
Total	- $1,729,800

Governor: Reduce funding by $864,900 (-$1,729,900 GPR and $865,000 PR) annually for the brighter futures program and create a program revenue appropriation, the interagency aids; brighter futures initiative appropriation, in DCF's children and family services program. The bill would provide $856,000 GPR to DHS for grants for community programs and require DHS to transfer not more than $865,000 of this funding to DCF for the brighter futures program. Base funding is $1,729,900 GPR.

The brighter futures program seeks to: (a) prevent and reduce the incidence of youth violence and other delinquent behavior; (b) prevent and reduce the incidence of youth alcohol and other drug use and abuse; (c) prevent and reduce the incidence of child abuse and neglect; (d) prevent and reduce the incidence of non-marital pregnancy and increase the use of abstinence to prevent non-marital pregnancy; and (e) increase adolescent self-sufficiency by encouraging high school graduation, vocational preparedness, improved social and other interpersonal skills, and responsible decision-making.

DHS has indicated that it uses $865,000 of the brighter futures funding as maintenance-of-effort (MOE) for the substance abuse and prevention and treatment block grant (SAPTBG). However, DHS also indicates that in order to be used as MOE for the SAPTBG, these general fund dollars must be budgeted directly in DHS. The bill would budget these funds directly in DHS and then require DHS to transfer not more than $865,000 to DCF.

The administration has indicated that the intent of the bill was to comply with federal law and regulations and not to eliminate any of the funding or allow DHS to retain any brighter futures funding.

[Bill Sections: 653, 661, 1309, 1310, and 1323]

9. CHILD WELFARE PROVIDER RATE REGULATION

	Funding	Positions
FED	$89,400	0.66
PR	723,700	5.34
Total	$813,100	6.00

Governor: Provide $324,300 ($35,700 FED and $288,600 PR) in 2011-12, $488,800 ($53,700 FED and $435,100 PR) in 2012-13, 0.55 FED position and 4.45 PR positions beginning in 2011-12, and an additional 0.11 FED position and 0.89 PR position beginning in 2012-13 to implement the third phase of rate regulation required under 2009 Act 28, and modified by 2009 Act 335, which requires DCF to establish per-client rates for residential care centers and group homes, establish factors to consider when reviewing provider rates, establish procedures for reviewing proposed rates and ordering rates when mediation or negotiation fails, develop forms and instructions, establish underlying policies regarding the information DCF needs in order to regulate provider rates, and notify the provider community of the new policies. Federal funding is from Title IV-E of the Social Security Act and the program revenue is from TCM funds.

Funding would support salaries ($21,100 FED and $170,800 PR in 2011-12 and $31,600 FED and $255,300 PR in 2012-13), fringe benefits ($10,400 FED and $84,500 PR in 2011-12 and $15,600 FED and $126,300 PR in 2012-13), and supplies and services ($4,200 FED and $33,300 PR in 2011-12 and $6,500 FED and $53,500 PR in 2012-13) for the following positions, beginning in 2011-12: (a) 2.0 auditors; (b) 1.0 program and policy analyst; (c) 1.0 accountant; and (d) 1.0 legal staff. Funding in 2012-13 would also support an additional 1.0 licensing specialist.

10. CHILD WELFARE ALTERNATIVE RESPONSE PILOT PROGRAM

Governor: Eliminate the child welfare alternative response pilot program restrictions that require DCF to select an agency in a county having a population of 500,000 or more and to select no more than four county departments to participate in the pilot program. Instead, require DCF to select any agency or county department to participate in the pilot program.

Provisions of 2009 Act 28 established a pilot program that authorized participating county departments of human/social services (or an agency in Milwaukee County) to use alternative responses to reports of suspected or threatened child abuse or neglect. This pilot program was intended to focus on responses to low-risk families by providing services in a less adversarial environment in order to prevent future abuse or neglect. The pilot program was limited to five counties, and Milwaukee County was required to be one of these five counties.

[Bill Section: 1342]

11. COMMUNITY SERVICES BLOCK GRANT

Governor: Transfer funding ($8,461,200 FED annually) and positions (1.25 FED positions, beginning in 2011-12) associated with the federal community services block grant from the federal block grant operations and federal block grant aids appropriations in DCF's children and families program to the community services block grant; federal funds appropriation, created under the bill, in DCF's economic support program.

Repeal DCF's economic support federal program aids appropriation. There is no base funding for this appropriation.

[Bill Sections: 665, 666, 675, 676, and 1415]

12. CHILD WELFARE POSITION AND FUNDING REALIGNMENT

Governor: Transfer $3,942,600 GPR and $1,145,600 FED annually and 3.42 GPR positions and a 0.86 FED position, beginning in 2011-12, between appropriations to consolidate and align funding and positions with the correct appropriations within DCF's children and family services program.

These transfers would: (a) consolidate position authority for staff that support eWISACWIS in the DCF central office ($392,600 GPR and $88,000 FED annually and 3.42 GPR positions and a 0.86 FED position, beginning in 2011-12); (b) move expenditure authority for contracted services managed centrally for eWISACWIS from BMCW to the DCF central office ($1,892,900 GPR and $913,500 FED annually); and (c) move administrative support funding from BMCW operations to aids to reflect that vendors would be responsible for their own administrative support ($1,657,100 GPR and $144,100 FED annually).

13. CHILD WELFARE REVENUE REESTIMATES

FED	$8,557,000
PR	- 17,636,200
Total	- $9,079,200

Governor: Reduce funding by $4,335,800 ($4,477,300 FED and -$8,813,100 PR) in 2011-12 and $4,743,400 ($4,079,700 FED and -$8,823,100 PR) in 2012-13 to reflect reestimates of the following child welfare revenue sources: (a) an increase in Chafee foster care independence funding ($383,100 FED annually); (b) an increase in Chafee employment and training vouchers funding ($99,300 FED annually); (c) a decrease in child abuse prevention and treatment act funding (-$24,400 FED annually); (d) an increase in methamphetamine grants funding ($114,800 FED annually); (e) an increase in family connections grants ($463,700 FED in 2011-12 and $116,000 FED in 2012-13); (f) an increase in safe havens funding ($47,300 FED in 2011-12); (g) an increase in the community services block grant ($841,400 FED annually); (h) an increase in domestic abuse funding ($28,900 FED annually); (i) an increase in home visiting funding ($1,160,800 FED annually); (j) an increase in Title IV-E of the Social Security Act ($1,274,800 FED annually); (k) an increase in Title IV-B of the Social Security Act ($87,600 FED in 2011-12 and $85,000 FED in 2012-13); (l) an increase in grants and gifts ($321,200 PR annually); (m) a reduction in the funding DCF receives from counties for the costs of implementing and operating the electronic statewide automated child welfare information system [eWISACWIS] (-$194,300 PR annually); (n) a reduction in TANF block grant funding transferred to a PR appropriation for child welfare, safety, prevention, Milwaukee child welfare, and eWISACWIS activities to reflect that these activities will be funded directly from the TANF FED appropriation rather than transferred to a separate PR appropriation (-$9,190,800 PR annually); (o) an increase in SSBG funding transferred from DHS ($162,900 PR in 2011-12 and $152,900 PR in 2012-13); (p) an increase in project launch funding ($80,000 PR annually); and (q) an increase in administrative fees ($7,900 PR annually).

Economic Support and Child Care

1. W-2 AND TANF RELATED REVENUES AND EXPENDITURES

Governor: Table 1 shows the Wisconsin Works (W-2) and temporary assistance for needy families (TANF) related revenue estimates and expenditures recommended by the Governor. Those items are addressed in detail in the entries that follow according to the number listed in the right-hand column of the table.

Revenues Available for W-2 and TANF Related Programs

As shown, the administration estimates total revenues for W-2 and TANF related programs at $638,780,600 in 2011-12 and $610,069,400 in 2012-13. Overall, total revenues would decrease by $26,237,000 in 2011-12 and decrease by $54,948,200 in 2012-13 compared to the amount available in 2010-11. The decrease primarily reflects a reduction in the amount of excess TANF funding carried over from the prior year as one-time federal stimulus funds are spent.

State funding would include $174,817,800 ($160,313,500 GPR, $5,364,600 PR, and $9,139,700 SEG) in 2011-12 and $173,673,800 ($160,313,500 GPR, $4,220,600 PR, and $9,139,700 SEG) in 2012-13. The program revenue includes the state's share of aid to families with dependent children (AFDC) overpayment recoveries, child support collections that are assigned to the state by public assistance recipients, child care licensing fees, W-2 agency filing fees, and the SSBG funding transferred from DHS for the child welfare program improvement plan. The segregated revenue is from the Department of Administration's public benefits funding.

Federal funding is estimated at $463,962,800 in 2011-12 and $436,395,600 in 2012-13. Federal funds include monies from the TANF block grant, child care development block grant (CCDBG), recoveries of overpayments to W-2 recipients, and carryover of the ending TANF balance from 2010-11.

It should be noted that Congress has extended the TANF program until September 30, 2011, at the same funding levels. The budget bill assumes the federal TANF program would continue beyond that date at the same funding levels through the end of the 2011-13 biennial budget.

Expenditures for W-2 and TANF Related Programs

Under the Governor's recommendations, overall expenditures for W-2 and TANF related programs would be $612,210,900 in 2011-12 and $583,521,100 in 2012-13. These amounts include all funds, and represent an increase from the base budget of $1,330,200 in 2011-12 and a decrease from the base budget of $27,359,600 in 2012-12. The changes in funding reflect reestimates, increased funding for some existing programs, and decreased funding for other existing programs, which are described in the entries below. Expenditures include: W-2 cash grants and wage subsidies; child care subsidies; benefits for the kinship care program, the caretaker supplement, and emergency assistance; state administration and other support services; grants to the Boys and Girls Clubs; and expenditures for other programs.

Federal law allows the state to carry forward unexpended TANF funding without fiscal year limitation. The projected TANF balance at the end of the 2011-13 biennium would be $26,548,300, which could be carried over into the 2013-15 biennium.

TABLE 1

W-2 and TANF Related Revenues and Expenditures Under the Governor's Budget Bill

			Change to Base		
	2011-12	2012-13	2011-12	2012-13	Item #
Revenues					
State General Purpose Revenue in DCF (GPR)	$160,313,500	$160,313,500	$0	$0	
AFDC Overpayment Recoveries (PR)	292,900	200,000	0	-92,900	18
W-2 Agency Filing Fees (PR)	1,000	1,000	0	0	
Overpayment Recoveries (FED)	3,530,000	3,530,000	1,000,000	1,000,000	18
TANF Block Grant (FED)	314,499,400	314,499,400	0	0	
Child Care Block Grant (FED)	91,796,500	91,796,500	5,670,000	5,670,000	18
Public Benefits Fund (SEG)	9,139,700	9,139,700	0	0	
Child Support Collections (PR)	3,092,900	2,041,800	-2,502,000	-3,553,100	18
Child Care Licensing Fees (PR)	1,877,800	1,877,800	8,300	8,300	18
SSBG from DHS (PR)	100,000	100,000	100,000	100,000	18
TANF Carryover (FED)	54,136,900	26,569,700	-30,513,300	-58,080,500	
Total Revenues	$638,780,600	$610,069,400	-$26,237,000	-$54,948,200	
Expenditures					
W-2 Agency Contracts					
Benefits	$78,787,800	$61,779,400	$8,271,200	-$8,737,200	2
Administration	11,830,800	11,117,100	460,400	-253,300	3
Services	54,846,300	45,637,000	5,940,700	-3,268,600	3
Child Care					
Direct Child Care Subsidies	290,042,500	288,018,300	-51,957,500	-53,981,700	7
Child Care State Administration and Licensing*	21,061,700	21,143,400	1,020,200	1,101,900	8,10
Quality and Availability Programs	13,486,700	13,169,400	-623,900	-941,200	8,9
Other Benefits					
Kinship Care	21,375,800	21,375,800	-1,642,400	-1,642,400	**
Caretaker Supplement for Children of SSI Recipients	31,232,200	31,232,200	1,299,000	1,299,000	11
Emergency Assistance	6,200,000	6,000,000	200,000	0	12
Administrative Support					
State Administration*	12,322,400	12,322,400	125,600	125,600	13
Fraud Prevention/Program Integrity	605,500	605,500	0	0	
Other Support Services					
Children First	1,140,000	1,140,000	0	0	
Grant Programs					
Boys and Girls Clubs	350,000	350,000	0	0	
Expenditures in Other Programs					
Earned Income Tax Credit	43,664,200	43,664,200	37,000,000	37,000,000	14
Social Services Block Grant	15,393,800	15,414,800	556,500	577,500	15
Child Welfare Safety Services	6,350,300	6,350,300	0	0	
Child Welfare Program Improvement Plan	680,400	1,360,800	680,400	1,360,800	**
Child Welfare Prevention Services	1,489,600	1,489,600	0	0	
Milwaukee Child Welfare/eWISACWIS	1,350,900	1,350,900	0	0	
Total Expenditures	$612,210,900	$583,521,100	$1,330,200	-$27,359,600	
Ending Balance	$26,569,700	$26,548,300			

*Amounts do not reflect employee contributions to pensions and health insurance or the entire amount of the realignments and administrative transfers included in entries under "Departmentwide."

**These entries are described above under the "Children and Families" section.

2. W-2 CASH BENEFITS

FED	- $466,000

Governor: Provide $8,271,200 in 2011-12 and reduce funding by $8,737,200 in 2012-13 for payments to W-2 participants in subsidized employment positions, trial job subsidies, caretaker of newborn infant grants, and at-risk pregnant women grants under current law.

Reduce the monthly grant for community service job (CSJ) placements and CSJ technical college placements from $673 per month to $653 per month and reduce the monthly grant for transitional placements and transitional technical college placements from $628 per month to $608 per month. These reductions would first apply to individuals who are participating in W-2 on the effective date of the bill. Monthly grants for caretakers of newborn infants and at-risk pregnant women would remain at $673 per month.

Benefits funding would total $78,787,800 in 2011-12 and $61,779,400 in 2012-13. Funding would be provided for the last 18 months of the 2010-2012 W-2 agency contracts (July 1, 2011, through December 31, 2012) and the first six months of the next set of W-2 agency contracts that begin January 1, 2013. The administration's estimates assume that W-2 caseloads would decline at the rate of 2% per month during the 2011-13 biennium, with a monthly caseload of 14,307 in July, 2011, and a monthly caseload of 8,990 in June, 2013. The average monthly caseload is estimated at 12,834 families in 2011-12 and 10,070 families in 2012-13. As of this writing, the most recent monthly caseload was 14,566 in January, 2011. Base funding for W-2 benefits is $70,516,600.

[Bill Sections: 1358 thru 1361, and 1389]

3. W-2 AGENCY CONTRACTS -- ADMINISTRATION AND SERVICES

FED	$2,879,200

Governor: Increase funding by $6,401,100 in 2011-12 and decrease funding by $3,521,900 in 2012-13 under the W-2 agency contracts for W-2 services ($5,940,700 in 2011-12 and -$3,268,600 in 2012-13) and for local administration of W-2 ($460,400 in 2011-12 and -$253,300 in 2012-13). Services funding would total $54,846,300 in 2011-12 and $45,637,000 in 2012-13. Funding for local administration of W-2 would total $11,830,800 in 2011-12 and $11,117,100 in 2012-13. Base funding for services is $48,905,600 and for administration is $11,370,400.

Funding would be provided for the last 18 months of the 2010-2012 W-2 agency contracts (July 1, 2011, through December 31, 2012) and the first six months of the next set of W-2 agency contracts that begin January 1, 2013.

In addition, modify the economic support fees for administrative services appropriation to eliminate language allowing the fees to support any costs for DCF of filing statements of economic interest and adding language to allow the support of costs of administering the W-2 agency contracts.

Finally, in the economic support federal block grant operations appropriation, make a technical correction to eliminate the reference to the amounts withheld from W-2 agencies for failing to meet performance standards as being subtracted out of the amounts appropriated for operating and administering the TANF block grant and CCDBG.

[Bill Sections: 670, 672, 1390, and 1391]

4. W-2 PROGRAM CHANGES

Governor: Modify the W-2 program requirements, first applicable to individuals who are participating in W-2 on the effective date of the bill, regarding the maximum time limit for participation in each employment position and the maximum hours required for employment versus education and training activities as follows:

Maximum Time Limit for Subsidized W-2 Employment Positions. Limit participation in a trial job employment position, CSJ employment position, and transitional employment position to 24 months for each position, which need not be consecutive. Authorize DCF, or the W-2 agency with DCF's approval, to grant an extension of the 24-month limit for each W-2 subsidized employment position on a case-by-case basis. Specify that in order for trial job and CSJ participants to receive an extension, the participant must have made all appropriate efforts to find unsubsidized employment, and local labor market conditions must preclude a reasonable job opportunity for that participant, as determined by the W-2 agency and approved by DCF. In addition, for the CSJ employment position, require the W-2 agency, with DCF's agreement, to determine that no trial job opportunities are available in order to extend the 24-month limit.

Authorize an individual to participate in a specific trial job for a maximum of three months, with an opportunity for a three-month extension under circumstances determined by the W-2 agency. Specify that an individual would be allowed to participate in more than one trial job, but generally would not be allowed to exceed the 24-month time limit.

Authorize an individual to participate in a specific CSJ for a maximum of six months, with an opportunity for a three-month extension under circumstances approved by DCF. Specify that an individual would be allowed to participate in more than one CSJ, but generally would not be allowed to exceed the 24-month time limit.

Specify that these 24-month time limits for trial job, CSJ, or transitional employment positions would also apply during receipt of a caretaker of newborn infant grant if the individual was participating in one of these employment positions before receipt of the grant and the child was born more than 10 months after the individual was first determined eligible for W-2. However, if the child was conceived as a result of a sexual assault or incest, which has been reported to a physician and law enforcement, then the 24-month time limit would not apply.

Maximum Hours for Subsidized Employment Activities. Limit the number of hours an individual in a CSJ or transitional placement may participate in work activities and in education and training activities.

Specify that a W-2 agency may require: (a) a CSJ participant to work up to 30 hours per week and to participate in education and training activities for up to 10 hours per week, for a total of 40 hours per week; and (b) a transitional placement participant to work up to 28 hours per week and to participate in education and training activities for up to 12 hours per week, for a total of 40 hours per week.

Under current law, an individual in a CSJ or transitional placement may participate up to 40 hours per week for all activities, with no distinction between work activities and education and training activities.

These provisions were part of the W-2 statutes prior to 2009 Act 28.

[Bill Sections: 1348 thru 1357, 1362 thru 1364, and 9308(4)]

5. W-2 SANCTIONS

Governor: Modify current law to eliminate the following requirements that must be met before sanctioning a W-2 participant, first applicable to individuals participating in W-2 on the effective date of the bill:

Actions Before Determining Nonparticipation. Under current law, before a W-2 agency determines that a W-2 participant is ineligible to participate in W-2 because that individual demonstrated a refusal to participate, the W-2 agency must: (a) determine whether the failure of the individual to participate is because the individual refuses or is unable to participate; (b) ensure that the services offered to the individual are appropriate for him or her; and (c) determine whether good cause exists for the failure to participate. The bill would eliminate this provision.

Conciliation Period for Compliance. Under current law, if a W-2 agency, in accordance with rules promulgated by DCF and after following the "actions before determining nonparticipation" described above, determines that an individual has refused to participate without good cause, the W-2 agency must allow the individual a conciliation period during which he or she must participate in all assigned activities unless good cause exists that prevents compliance during this period. DCF is required to establish the length of the period by rule. The bill would eliminate this provision.

Oral Explanation Before Sanction. Under current law, before a W-2 agency can take any action against an individual that would result in a 20% or more reduction to the individual's benefits or in termination of the individual's eligibility to participate in W-2, the W-2 agency must: (a) explain to the individual orally in person or by phone, or make reasonable attempts to explain to the individual orally in person or by phone, the proposed action and the reasons for the proposed action; (b) after providing the oral explanation, provide to the individual written notice of the proposed action and of the reasons for the proposed action; and (c) after the explanation and notice, allow the individual a reasonable time to rectify the deficiency, failure, or other behavior to avoid the proposed action.

The bill would eliminate the requirement that the W-2 agency explain the proposed action and the reasons for the proposed action orally in person or by phone.

[Bill Sections: 1365 thru 1371 and 9308(4)]

6. TRANSITIONAL JOBS DEMONSTRATION PROJECT

Governor: Eliminate the transitional jobs demonstration project.

Provisions under 2009 Act 28 required DCF to conduct a demonstration project that offers transitional jobs to low-income adults. DCF implemented a two-year demonstration project on July 1, 2010. To be eligible, an individual must: (a) be at least 21 but not more than 64 years of age; (b) be ineligible for W-2; (c) have an annual household income below 150% of the poverty line; (d) be unemployed for at least four weeks; and (e) be ineligible to receive unemployment insurance benefits.

The transitional jobs demonstration project must also include the following requirements: (a) DCF must pay a wage subsidy to any employer that employs an individual for a minimum of 20 hours per week at a location in this state equal to the amount of wages that the employer actually pays, up to 40 hours per week at minimum wage; (b) an employer must pay the individual for hours actually worked, up to 40 hours per week, at not less than minimum wage; (c) limit participation to 1,040 hours actually worked; and (d) employment under the program may not fill a vacancy created by terminating or reducing hours of a regular employee, fill a position when any other person is on layoff or strike regarding the same or substantially equivalent job, or fill a position when any other person is engaged in a labor dispute regarding the same or substantially equivalent job.

The bill would eliminate this demonstration project, beginning on the effective date of the bill. As a result, this demonstration project would last approximately one year, rather than the anticipated two-year period.

[Bill Sections: 1346, 1385, 2391, and 3568 thru 3570]

7. CHILD CARE SUBSIDIES AND COST SAVING MEASURES

FED	- $105,939,200

Governor: Reduce funding by $51,957,500 in 2011-12 and $53,981,700 in 2012-13 for direct child care services under the Wisconsin Shares program, including funding for child care subsidies, local administration, on-site child care at job centers and counties, and migrant child care. Funding for the Wisconsin Shares program under the bill would total $290,042,500 in 2011-12 and $288,018,300 in 2012-13.

In addition, authorize DCF to implement a number of cost saving measures for the Wisconsin Shares program to ensure that expenditures for the program would not exceed the amounts budgeted.

Provider Reimbursement Rates. Prohibit DCF from increasing the maximum reimbursement rates for child care providers before June 30, 2013, except for the tiered reimbursement rates described below under "Child Care Quality Rating and Information System." Provider reimbursement rates are the maximum hourly rates, with a maximum weekly ceiling, that may be paid to a provider who cares for a child participating in Wisconsin Shares, and vary throughout the state based on where the provider is located. Reimbursement rates have not been increased since 2006. This provision would retain the provider reimbursement rates established in 2006.

Notwithstanding this rate freeze, authorize DCF to adjust the amount of reimbursement paid to child care providers who provide child care services under Wisconsin Shares. Notwithstanding the maximum reimbursement rates and the reimbursement rate schedule, DCF would be allowed to adjust the amount of reimbursement paid, either more or less than indicated in the rate schedule, to any child care provider, as long as the overall effect of all of the cost-savings measures reduces costs in Wisconsin Shares. For example, DCF would be allowed to reduce the amount of reimbursement paid to a specific child care provider that is under the reimbursement rate schedule and pay another child care provider above the maximum reimbursement rate, as long as all of the actions taken under these cost savings measures reduce overall Wisconsin Shares expenditures.

Increase Copayments. Authorize DCF to increase the copayment amount that an individual must pay toward the cost of child care received under Wisconsin Shares. Copayments are paid by the parents, which results in savings to the child care subsidies program. Under the schedule used by DCF, the weekly copayment amount varies based on the family's size, the family's income, and the number of children in subsidized care.

Waiting List. Authorize DCF to implement a waiting list for the receipt of a child care subsidy. An applicant on a waiting list would not receive a child care subsidy unless the available funding was sufficient to allow the applicant to receive a subsidy.

Income Eligibility. Authorize DCF to adjust the gross income levels for eligibility for receipt of a child care subsidy under Wisconsin Shares. Under current law, an individual's gross income must be at or below 185% of the federal poverty level (200% once receiving a subsidy) in order for the person to be eligible for a child care subsidy.

The following table shows the administration's projected costs of child care subsidies under current law, additional anticipated savings from the implementation of an automated attendance tracking system authorized under 2009 Act 2, additional anticipated savings from program integrity measures, savings from implementation of tiered reimbursements for the quality rating and information system, and the anticipated cumulative savings from the above-mentioned cost saving measures.

Child Care Subsidies Under SB 27/AB 40

	2011-12	2012-13
Estimated Cost of Child Care Subsidies Under Current Law*	$310,261,100	$312,358,600
Cost Saving Measures		
Automated Attendance Tracking System	-$2,282,000	-$3,406,000
Program Integrity Measures	-2,668,000	-2,721,000
Tiered Reimbursement	-14,468,600	-14,613,300
Cost Saving Measures	-800,000	-3,600,000
Total	-$20,218,600	-$24,340,300
Child Care Subsidies Allocation Under AB 40	$290,042,500	$288,018,300

*Includes $24,695,200 in 2011-12 and $23,937,000 in 2012-13 for local child care administration, on-site child care, and migrant child care.

The administration has not estimated savings for each of the cost saving measures. Instead, DCF would have the authority to implement any of the above-mentioned cost saving measures in any combination to achieve the savings shown in the table.

[Bill Sections: 1379, 1383, and 1394]

8. CHILD CARE QUALITY RATING AND INFORMATION SYSTEM

FED	- $1,905,400

Governor: Reduce funding by $791,200 in 2011-12 and $1,114,200 in 2012-13 to reflect ongoing costs of the child care quality rating and information system (YoungStar). Reduce funding for the administration of YoungStar by $167,300 in 2011-12 and $173,000 in 2012-13 for the following: (a) information technology (-$150,000 annually); and (b) ongoing evaluation (-$17,300 in 2011-12 and -$23,000 in 2012-13).

Reduce funding for YoungStar technical assistance and grants by $1,436,100 in 2011-12 and $1,753,400 in 2012-13 for the following: (a) technical assistance (-$655,300 annually); (b) child care provider improvement grants (-$288,600 in 2011-12 and -$577,100 in 2012-13); and (c) start-up funding and grant administration (-$492,200 in 2011-12 and -$521,000 in 2012-13). In addition, provide $812,200 annually for quality assurance monitoring.

Authorize DCF to use a severity-index tool, as described in the Department's YoungStar plan, to disqualify child care providers who receive a low quality rating, as described in the YoungStar plan, from providing child care services to individuals under YoungStar. DCF's YoungStar plan indicated that a children and families severity index tool would be implemented with licensed and certified child care providers to determine one-star providers, but a description of the tool was not provided. The Joint Committee on Finance prohibited DCF from implementing this severity index tool. This provision would again authorize DCF to use this severity index tool.

Authorize DCF to modify child care provider reimbursement rates based on the provider's assessed rating, as described in the YoungStar plan, as follows: (a) deny reimbursement for a child care provider who receives a one-star rating; (b) reduce the maximum reimbursement rate by up to 5% for a child care provider who receives a two-star rating; (c) pay the maximum reimbursement rate for a child care provider who receives a three-star rating; (d) increase the maximum reimbursement rate by up to 5% for a child care provider who receives a four-star rating; and (e) increase the maximum reimbursement rate by up to 10% for a child care provider who receives a five-star rating. However, it should be noted that another provision in the bill would allow DCF to adjust child care provider reimbursement rates for any child care provider notwithstanding this tiered reimbursement structure for YoungStar. Funding related to the tiered reimbursement rates is included in costs of direct child care subsidies as described above in "Child Care Subsidies and Cost Savings Measures." That entry also includes a description of the cost-saving measure related to child care reimbursement rates.

DCF's YoungStar plan created a five-star quality rating system for all child care providers. Any provider that participated in Wisconsin Shares must be rated under YoungStar, and any child care provider that wanted to be rated under YoungStar must be willing to accept Wisconsin Shares participants. Under DCF's YoungStar plan, child care provider reimbursement rates would be modified as follows: (a) deny reimbursement for one-star providers; (b) current base reimbursement rate for two-star providers; (c) a 5% increase to the base reimbursement rate for three-star providers; (d) a 10% increase to the base reimbursement rate for four-star providers; and (e) a 25% increase to the base reimbursement rate for five-star providers. The bill would modify these provisions as described in the previous paragraph.

Finally, include contracts and grants to implement the child care quality rating system as one of the child care allocations that DCF must fund with the CCDBG.

The amount allocated to administer YoungStar would be $8,327,200 in 2011-12 and $8,004,200 in 2012-13. As noted in the preceding entry, the tiered reimbursement provisions are estimated to result in savings of $14,468,600 in 2011-12 and $14,613,300 in 2012-13.

[Bill Sections: 1375, 1380 thru 1382, 1395, and 1396]

9. QUALITY CARE FOR QUALITY KIDS

Governor: Eliminate the prohibition against transferring any of the TANF block grant to the CCDBG.

Under federal law, states are required to spend a minimum of 4% of their child care allotments from the CCDBG for consumer education activities for parents and the public, to increase parental choice, and to improve quality and availability (including resource and referral services). If TANF funds are transferred to the CCDBG, the 4% requirement is based on the combined amount of these funds, rather than just the CCDBG, which increases the amount of child care funds that must be spent on child care quality and availability programs. As a result, fewer child care funds would be available for child care subsidies.

In addition, specify base funding of $3,975,000 for the child care scholarship and bonus program and of $8,767,000 for child care licensing activities in the statutory child care allocations that DCF must fund with the CCDBG.

[Bill Section: 1373, 1374, and 1376]

10. CHILD CARE STATE ADMINISTRATION AND LICENSING

FED	$1,865,200

Governor: Provide $888,900 in 2011-12 and $976,300 in 2012-13 to reflect increases in state administration of the Wisconsin Shares child care subsidy program. Funding would support increases in: (a) fraud detection and prevention activities ($135,300 in 2011-12 and $146,900 in 2012-13); (b) Milwaukee Early Care Administration, which administers Wisconsin Shares in Milwaukee County following the state takeover of these activities ($252,100 in 2011-12 and $265,300 in 2012-13); (c) fringe benefits due to a higher rate for child care licensors ($250,000 annually); (d) compensation and health insurance reserve amounts ($223,500 in 2011-12 and $286,100 in 2012-13); (e) an increase due to standard budget adjustments ($19,700 annually); and (f) an increase in child care licensing ($8,300 annually). Item "e" is already included in the "standard budget adjustments" entry above and has, therefore, been added in to child care state administration twice.

Combined with child care licensing costs, standard budget adjustments, and administration of YoungStar, the child care state administration and licensing allocation would total $21,061,700 in 2011-12 and $21,143,400 in 2012-13.

[Bill Section: 1395]

11. CARETAKER SUPPLEMENT

FED	$2,598,000

Governor: Increase TANF funding by $1,299,000 annually for benefits and administration of the caretaker supplement for children of recipients of SSI, administered by DHS. TANF funding under the bill would total $31,232,200 annually.

[It should be noted that the budget would provide $1,207,000 annually, rather than $1,299,000, for the caretaker supplement in DHS. The bill would also transfer the caretaker supplement program from DHS to DCF on the effective date of the bill, as described above in "Transfer Social Security Income and Caretaker Supplement Programs."]

[Bill Section: 1397]

12. EMERGENCY ASSISTANCE

FED	$200,000

Governor: Provide $200,000 in 2011-12 to increase funding for the emergency assistance program to reflect increased demand for the program, which provides assistance to needy persons in cases of fire, flood, natural disaster, energy crisis, homelessness, or impending homelessness. Funding for the program would total $6,200,000 in 2011-12 and $6,000,000 in 2012-13.

In addition, modify the TANF statutory emergency assistance allocation to authorize the transfer of emergency assistance funding to the Department of Administration for low-income energy or weatherization assistance programs.

[Bill Section: 1393]

13. STATE ADMINISTRATION OF PUBLIC ASSISTANCE PROGRAMS

FED	$3,735,400

Governor: Provide $1,867,700 annually for state administration of public assistance programs to partially offset reductions under the standard budget adjustments, realignments, and administrative transfers. Of this funding, $125,600 annually was already included in the "standard budget adjustments" entry above and has, therefore, been included in state administration of public assistance programs twice. Funding for state administration would total $12,322,400 annually.

It should be noted that Table 1 only reflects the increase of $125,600 annually because the remainder of the increase was offset by reductions in the "Standard Budget Adjustments," "Position and Funding Realignment," and "Position Realignment" entries under "Departmentwide."

[Bill Section: 1392]

14. EARNED INCOME TAX CREDIT

FED	$74,000,000

Governor: Provide $37,000,000 annually to pay the refundable portion of the state earned income tax credit (EITC) with TANF funding. Total EITC payments are estimated at $116,600,000 in 2011-12 and $116,800,000 in 2012-13, of which TANF would fund $43,664,200 annually. [Other changes regarding the EITC are described under "General Fund Taxes -- Income and Franchise Taxes."]

[Bill Section: 1400]

15. SOCIAL SERVICES BLOCK GRANT

Governor: Provide an additional $556,500 in 2011-12 and $577,500 in 2012-13 in TANF funds that would be transferred to the SSBG. States may transfer up to 10% of the TANF block grant to the SSBG. The current amount of funds transferred to the SSBG is $14,837,300 per year. The additional transfer of funds is due to former kinship care providers becoming licensed under the new levels of care foster care licensing system that was required under 2009 Act 28. As a result, less TANF funding is needed for kinship care and more SSBG funds are needed for children and family aids for out-of-home care costs of licensed foster parents. The increase would also provide funding for the child welfare program improvement plan. These funds are appropriated directly in DHS, so the increase in funding would be reflected in DHS.

In 2010-11, a total of $31.2 million FED from the SSBG and TANF funds transferred to the SSBG is distributed to counties through community aids (administered by DHS) and children and family aids (administered by DCF). States may use SSBG funds to provide services directed toward at least one of five goals: (a) to prevent, reduce, or eliminate economic dependency; (b) to achieve or maintain self-sufficiency; (c) to prevent neglect, abuse, or exploitation of children and adults; (d) to prevent or reduce inappropriate institutional care; and (e) to secure admission or referral for institutional care when other forms of care are not appropriate.

16. WISCONSIN SHARES AND INCOME MAINTENANCE ADMINISTRATION

Governor: Eliminate the Milwaukee County enrollment services unit from the definition of "county department or agency" under Wisconsin Shares and prohibit DCF from contracting with this unit to administer Wisconsin Shares in Milwaukee County, beginning on the date specified in the Wisconsin Administrative Register, as determined by DHS, or on May 1, 2012, whichever is earlier. This provision is part of an item under DHS to eliminate the Milwaukee County enrollment services unit.

In addition, renumber income maintenance administration statutory sections related to DCF to relocate and consolidate these statutes under DCF, rather than have them located under DHS income maintenance sections.

[Bill Sections: 749, 1287, 1289, 1290, 1372, 1378, 1405, 1493 thru 1497, 1669, 1716, 9121(7), and 9421(1)]

17. MODIFICATIONS TO TANF RELATED APPROPRIATIONS

Governor: Specify the following changes to TANF-related appropriations and the description of appropriations used for TANF-related programs: (a) eliminate the appropriation created for the child care stimulus funds; (b) modify the segregated economic support -- public benefits appropriation to specify that these funds may be used for any TANF-related allocation, not just those listed under the W-2 program; and (c) modify the listing of appropriations that may be used for the TANF-related allocations to exclude the appropriation eliminated under (a) and to include the appropriation for the state supplement to the federal SSI program.

[Bill Sections: 674, 680, and 1388]

18. TANF REVENUE ADJUSTMENTS

FED	- $2,266,900
PR	- 5,931,400
Total	- $8,198,300

Governor: Increase funding by $1,043,600 ($3,437,300 FED and -$2,393,700 PR) in 2011-12 and decrease funding by $9,241,900 (-$5,704,200 FED and -$3,537,700 PR) in 2012-13 to reflect: (a) a reestimate of funding generated from the state's share of AFDC overpayment recoveries (-$92,900 PR in 2012-13); (b) a reestimate of the state's share of child support collections used to fund W-2 (-$2,502,000 PR in 2011-12 and -$3,553,100 PR in 2012-13); (c) a reestimate of child support licensing fees ($8,300 PR annually); (d) SSBG funding for the TANF program ($100,000 PR annually); and (e) an increase in TANF funds to correspond to the overall loss of program revenue ($2,393,700 FED in 2011-12 and $3,537,700 FED in 2012-13).

In addition modify TANF funds to reflect action taken in the Joint Committee on Finance for YoungStar, a reduction in TANF funds to correspond to an increase of GPR in base funding, and other appropriated, but unallocated, TANF funds ($1,043,600 FED in 2011-12 and -$9,241,900 FED in 2012-13).

Child Support

1. PROGRAM REVENUE REESTIMATE

PR	- $4,000,000

Governor: Reduce funding by $2,000,000 annually to reflect a revised estimate of revenues from the annual centralized receipt and disbursement (CR&D) fee (-$900,000 annually) and a reduction in the amount of program revenue carried over from prior years (-$1,100,000 annually). The $65 CR&D fee is paid by child support obligors and helps fund the CR&D system, which processes child support, maintenance (alimony), health care expenses, birth expenses, and other child support related payments. Program revenue consists of the CR&D fee, a $25 annual fee, and a tax intercept fee (deducted from the tax intercept before it is passed through to the custodial parent).

2. CONFIDENTIAL FORMS IN ACTIONS AFFECTING THE FAMILY

Governor: Modify current law regarding the submission of a separate confidential form when filing a petition to commence an action affecting the family to specify that: (a) the form must contain the name, date of birth, and social security number of each minor child of the parties and of each child who was born to the wife during the marriage and who is a minor; (b) in a paternity action, the party who filed the petition must submit this form within five days after paternity is adjudicated; and (c) this confidential form must be maintained with the confidential financial disclosure statements or maintained separately from the case file.

Under current law, when a petition in an action affecting the family is filed with the court, the petitioner must submit a separate form, furnished by the court, that contains: (a) the name, date of birth, and social security number of each party; and (b) the name, date of birth, and social security number of each minor child of the parties and of each child born to the wife during marriage. In addition, these forms must be maintained with the confidential information obtained during an annual exchange of financial information or maintained separately. These forms may only be disclosed to parties and their attorneys, a county child support enforcement agency, and any other person authorized by law or court order to have access to the information on the form.

The bill would: (a) eliminate the requirement that the petitioner would have to submit the name, date of birth, and social security number of <u>adult</u> children born to the wife during marriage; (b) require that these forms be filed within five days of the adjudication of paternity in paternity actions; and (c) require that the forms be maintained with the financial disclosure statements completed at the beginning of an action affecting the family, rather than in annual exchanges of financial information, or maintained separately.

The requirement to file the form within five days of adjudication of paternity would first apply to paternity actions commenced on the effective date of the bill. The elimination of the requirement to provide the confidential information in the form for adult children born to the wife of the marriage would first apply to petitions filed on the effective date of the bill.

[Bill Sections: 3478 thru 3481, and 9308(2)&(3)]

3. CHILD SUPPORT DISTRIBUTION CHANGES

Governor: Specify that state law directing how child support payments should be applied to current support, arrearages, and interest be subject to and preempted by any applicable federal statutes or regulations. This provision would first apply to payments for child support received on the effective date of the bill.

Current state law specifies that all payments received for child support must be applied as follows: (a) first, to payment of child support due within the calendar month during which the payment is received; (b) second, to payment of unpaid child support due before the payment is received; and (c) third, to payment of interest accruing on unpaid child support.

Under federal law, payments received for child support may be distributed in a different order if the payee is receiving or has received aid under the TANF block grant program. Under federal law, for payees that formerly received TANF assistance, arrearages (both actual arrearages and interest on those arrearages) that have not been assigned to the state must be paid before arrearages that have been assigned to the state. This requires interest on unassigned arrearages to be paid before actual assigned arrearages. For current TANF recipients, assigned arrearages (both actual arrearages and interest on those arrearages) must be paid before arrearages owed to the family. This requires interest on assigned arrearages to be paid before actual arrearages not assigned to the state. In both of these cases, some of the interest must be paid before some of the arrearages, contrary to state law. The bill would specify that if federal law requires a different order of distribution of child support payments than state law, then support would be distributed according to federal law.

[Bill Sections: 3482 and 9308(1)]